elease 2003/06/17 : CIA-RDP80B016 Approved Fo THE DIRECTOR MEMORANDUM FOR: : Some Thoughts Relative to Defense Reorganization SUBJECT on CIA Functions I. A study of the President's message on Defense reorganization as reported in the press indicates that he has directed the Secretary of Defense to initiate eight specific actions for which he does not seem to consider legislation necessary. These eight actions, some of which have bearing upon intelligence relationships, are: 1. All combat operational forces to be "truly unified" under the direction of the Joint Chiefs of Staff and the Secretary of Defense, and not under direction of any branch of the armed services. 2. To remove control over combat and operational units from the Secretaries of Army, Navy and Air Force, leaving their departments as administrative and housekeeping agencies. 3. The Joint Chiefs of Staff to act only at the direction of the Defense Secretary and not in their own right. 4. To end the joint committee system under the Joint Chiefs of Staff and to establish an operations division of the Joint Chiefs of Staff under the Secretary of Defense. 5. To order budgeting officers to prepare figures for the 1960 Fiscal Year on the basis of which funds will be appropriated by Congress to be expended by the Secretary of Defense. 6. To review the publicity and legislative activities of the three services and centralize control of them in the Office of the Secretary of Defense. 7. To appoint a civilian Assistant Secretary of Defense to head all armed services liaison with Congress.

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- 8. To promote Admirals and Generals above 2-star rank, to assign, reassign and remove them, only upon the advice of the Secretary of Defense who, in turn, will be guided by the Joint Chiefs of Staff and the suggestions of the Secretaries of the military departments.
- II. Of these eight actions, only four appear to have possibilities of impact on intelligence relationships -- 1, 2, 4 and 5.

## COMMENTS:

- 1. The "truly unified" operational commands will require intelligence support heretofore provided by the intelligence organizations of the "Executive Agency" as well as the Joint Intelligence Committees. This change may lead to greatly increased integration and centralization of intelligence matters at the JCS level within the new operations division, or at the Department of Defense level, possibly under an Assistant Secretary.
- 2. Leaving the Army, Navy and Air Force Departments as administrative and housekeeping agencies without responsibility for or control over combat or operational units or commands will reduce the scope of "departmental intelligence" required for accomplishing the military departmental missions. If this is actually carried out, many of the functions heretofore performed by intelligence representatives of the military departments may devolve upon the intelligence department or section of the Joint Chiefs of Staff. This could have some impact on the intelligence production process, and would be the one of possibly greatest concern to you.
- 3. Creation of an operations division will necessitate comparable centralization of the intelligence function for adequate support. This may be within, or parallel to, the operations division, or at an Assistant Secretary of Defense level. The indication would seem to be more and more CIA contact and relationships at the Department of Defense and JCS level, with less at the departmental level, in the long run. I believe that this impairing of the departmental missions is likely to encounter as much difficulty in the Congress as any other with the exception of the budget problem.
- 4. Centralized budgeting will be of interest to the Agency from the administrative point of view but should present no particular problems so far as I can see. It might even simplify some of our present problems.
- III. The remaining Presidential instructions to the Secretary of Defense are not likely to affect us. We should not be especially concerned because the JCS acts at the direction of the Secretary of

Defense and not in their own right; nor at the review of publicity and legislative activities of the services; nor at the appointment of a civilian Assistant Secretary of Defense for liaison with Congress; nor with the promotion of 3 and 4-star Generals and Admirals.

IV. In summary, I should think the Agency position should be that these actions are all the business of the Department of Defense. Your concern as Director of Central Intelligence is one of deep interest that nothing should be done to impair the already difficult intelligence function, and that you would hope that fact would receive due consideration. You would of course stand ready at all times to afford any possible assistance.

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